

MORTGAGE FINANCING

Under Section 8 Homeownership, participants will receive monthly assistance towards their mortgage payments. This enables participants to qualify for a larger mortgage loan based on the combined total of their income and the Section 8 subsidy (*see Financing Example below*).

Section 8 Homeownership Participants will be responsible for securing their own mortgage financing. This means that participants will have to be pre-approved for a mortgage loan by a lender.

Homeownership Counselors will help clients in preparing documents they will need in order to be pre-approved by a lender for a mortgage loan.

In particular lenders are going to look at:



- Credit and Debt
- Savings
- Income and employment history

Financing Example

Family: **Mother with 2 children**

Voucher Size: **3 bedroom**

Family Income: **\$30,000/year**

Family Debt: assume **\$0**

Family Savings: **\$20,000**

Interest Rate: **6.25%**

Mortgage Loan Term: **30 years**

Mortgage Loan Amount: **\$243,500**

Family Contribution to monthly mortgage: **\$750**

Section 8 Contribution to monthly mortgage: **\$1124**

House Purchase Price: **\$263,500**

(equal to Mortgage Loan Amount plus Savings)

*Please note that this is an estimate.
Median Home Prices for the City of Oakland are approximately \$300,000-\$400,000.*

If you are interested in participating in the
Section 8 Homeownership Program,
please call or email:

510-874-1540

S8homeownership@oakha.org

You will be mailed a questionnaire to assess your eligibility for participation in the Section 8 Homeownership Program.

If you are deemed eligible to participate you will be asked to attend an orientation to learn about the Section 8 Homeownership program.



Interested in Section 8 Homeownership but not working full-time?

The Family Self-Sufficiency Program is a voluntary savings program for Section 8 clients who are working or planning on going back to work. The program aids clients in attaining stable, full-time employment.

If you would like more information about the
Family Self-Sufficiency Program,
please call:

510-874-1646

or

510-874-1663



OAKLAND HOUSING AUTHORITY

SECTION 8 HOMEOWNERSHIP



*Moving from Rental to
Homeownership*

Section 8 Homeownership
Contact Information:

510-874-1540

S8homeownership@oakha.org

 **OAKLAND HOUSING AUTHORITY**

Leased Housing Department

1805 Harrison St.

Oakland, CA 94612

(510) 587-2100

www.oakha.org



PROGRAM OVERVIEW



The Section 8 Homeownership Program is offered to **eligible** Oakland Housing Authority Section 8 Participants.

The program allows first-time homeowners to use their Section 8 rental subsidy to meet their monthly homeownership expenses (i.e. mortgage payments, utilities, maintenance and up-keep of the property).

Section 8 Clients who wish to join the program must meet certain eligibility requirements. Once Section 8 Clients have been deemed eligible to participate they will be required to participate in a homeownership education course and a financial literacy course in order to prepare for homeownership.

In addition, participants will be required to secure their own mortgage financing through a lender.



Section 8 Rental and Homeownership: How different are the two programs?

The two programs are very similar in that:

- Section 8 Clients contribute 30% of their income towards their monthly housing expenses.
- OHA pays the remainder (up to the Payment Standard) of their monthly housing expenses.
 - The same Payment Standard is used for the rental and homeownership programs.
- Clients are qualified for a certain size of unit based on their family size.

ELIGIBILITY REQUIREMENTS

In order to be considered for the Section 8 Homeownership Program, clients must be:

1) on Section 8 for a minimum of 1 year*

* If you are not an Oakland Housing Authority Section 8 Participant, first speak with your housing authority to see if they have a Section 8 Homeownership Program.

2) a first-time homebuyer

3) working full-time and earning more than \$10,300/year

- Full-time = 30 hours/week

- **Elderly and disabled clients are exempt from the employment requirement.**

Note:

Elderly = 62 years or older

Disabled and Elderly = Head of Household or spouse

FAMILY REQUIREMENTS

Once deemed eligible, clients will also be responsible for fulfilling the following Family Requirements:



DOWNPAYMENT



Participants are required to have 3% of the purchase price of the home as a downpayment

- 1% of the downpayment must come from the participant's own funds (meaning no gifts or grants)
- Example: A 3% downpayment for a \$300,000 home is \$9,000.

HOMEOWNERSHIP COUNSELING & EDUCATION



Participants will be required to attend Homeownership Education and Counseling. Some of the topics that will be covered include: budgeting and money management, home maintenance, working with a real estate agent and predatory lending.



Please contact the Section 8 Homeownership Coordinator at:

Phone: 510-874-1540

Fax: 510-874-1678

s8homeownership@oakha.org



TERM OF ASSISTANCE

Section 8 Homeownership Participants will receive the Section 8 Housing Assistance for:

- 15 years if the mortgage has a term for 20 years or longer.
- 10 years in all other cases

There is no maximum term of assistance for elderly or disabled participants.

ELIGIBLE HOMES



Section 8 Homeownership Participants may purchase single-family dwellings in the City of Oakland.

While receiving Section 8 Homeownership Assistance, Participants must occupy the unit and may not rent or sell any part of their unit.



